Michigan Public Service Commission

MPSC Staff PURPA Technical Advisory Committee

Avoided Cost Administrative Process Strawman Proposal

(For Discussion at January 13, 2016 PURPA TAC Meeting)



PURPA Technical Advisory Committee

- Ordered by the Commission on October 27, 2015 (Case No. U-17973)
 - Assess the continuing appropriateness of the Commission's regulatory implementation of PURPA
 - Report findings by April 8, 2016
 - Meeting Schedule: Dec 8, Jan 13, Feb 10, Mar 2



Avoided Cost Administrative Process MPSC Strawman Proposal – Initial Process for 2016/2017

PURPA TAC Report Issued *April 2016*

Commission issues an order adopting an avoided cost methodology and directs each electric provider to file its avoided cost information within 90 days in separate dockets

July 2016

Contested case is held for each electric provider resulting in an approved avoided cost

October 2016 to July 2017

Qualifying Facilities (QFs)
negotiate contracts with electric
providers

After July 2017

Executed PURPA contracts are filed for Commission Approval in a future PSCR case



Avoided Cost Administrative Process MPSC Strawman Proposal-Biennial Process

Commission issues an order directing each electric provider to file its avoided cost information within 90 days in separate dockets

June

3 Months

Contested case is held for each electric provider resulting in an approved avoided cost

September – June

9 Months

QFs negotiate contracts with electric providers under new avoided cost

After June

Executed PURPA contracts are filed for Commission Approval in a future PSCR case



Staff Strawman Proposal

- Administrative process is carried out every 2 years
- The best administrative process may depend on any new legislation and the currently pending complaint case (U-17981)



Additional Questions to Consider

- 1. How does the MISO Energy Market impact PURPA?
- 2. What is the effect, if any, of alternate electric suppliers on the Commission's implementation of PURPA?
- 3. Does Michigan's participation in a regional transmission organization impact the Commission's implementation of PURPA?
- 4. Do PURPA contracts based on avoided cost need Commission approval?
- 5. What is the current PURPA rate for new projects?



Avoided Cost Administrative Process MPSC Strawman Proposal

- MPSC Strawman Proposal circulated prior to January 13, 2016 meeting
 - Staff will present this proposal
- Please review and be prepared to discuss at the January 13, 2016 meeting
- You can also email your comments and/or separate proposals to Staff and/or the PURPA TAC email list

